MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS MEETING

Thursday, November 19, 2015 – The members of the Board of Regents of the University of Houston System convened at 3:16 p.m. on Thursday, November 19, 2015, at the Hilton University of Houston Hotel, Conrad Hilton Ballroom, Second Floor, 4450 University Drive, Houston, Texas, with the following members participating:

ATTENDANCE –

Present	Absent
Tilman J. Fertitta, Chairman	Durga D. Agrawal, Regent
Welcome W. Wilson, Jr., Vice Chairman	
Spencer D. Armour III, Secretary	
Beth Madison, Regent	
Gerald W. McElvy, Regent	
Paula M. Mendoza, Regent	
Peter K. Taaffe, Regent	
Roger F. Welder, Regent	
Garrett H. Hughey, Student Regent, Non-voting	

In accordance with a notice being timely posted with the Secretary of State and there being a quorum in attendance, Chairman of the Board, Tilman J. Fertitta called the meeting to order at 3:16 p.m.

The first action item presented to the board was the approval of minutes from the August 20, 2015, Board of Regents meeting.

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AGENDA ITEMS

1. Approval of Minutes – Item 3:

   On motion of Regent McElvy, seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, the following minutes from the meeting listed below was approved:

   - August 20, 2015, Board of Regents Meeting

Following the approval of the minutes, Chairman Fertitta welcomed one of our special guests at the meeting, Dr. Raymund Paredes, the Commissioner of The Texas Higher Education Coordinating Board, who presented the first Board agenda item listed on the agenda, BOR-4, a Presentation by the Commissioner of the Texas Higher Education Coordinating Board (THECB) regarding the Next Higher Education Strategic Plan for Texas – University of Houston

System. Dr. Paredes provided a powerpoint presentation entitled, "***60X30 TX***" and below is a summary of his remarks.

- By 2030, at least 60 percent of Texans ages 25-34 will have a certificate or a degree.
- The current strategic plan for closing the gaps will expire in 2015. With the "*60X30TX"* strategic plan, Texas will focus on student success over the next 15 years.
- The "*60X30TX"* plan builds on the accomplishments of the *Closing the Gaps by 2015* strategic plan; and this new plan will establish a globally competitive workforce in the State by 2030.
- *Closing the Gaps* was launched in 2000 and developed by an Advisory Board to the Coordinating Board. The plan was simply to get Texas to have parity with states around the country in terms of education attainment.
- If you look at the numbers from 2000 by most education indicators, Texas was in the bottom 5 or 6 states in higher education attainment. Therefore, it took a very aggressive plan to get Texas to the middle of the pack; but that is where Texas is.
- The two most important goals for *Closing the Gaps* were:
  1. Increase enrollment in higher education by 630,000 students. We are very close to attaining this goal. The Fall 2015 semester numbers are not in as yet but once they are, Texas will either be at 630,000 or just under that number; and
  2. Increase completions - it was a goal to increase certificates, associate degrees and bachelorette degrees to 210,000. As of 2013, this goal had already been exceeded by approximately 30,000.
- Some key elements was the economic viability of Texas and raising the higher education attainment for Latinos.
- Some of the *Closing the Gaps by 2015* successes were noted:
  1. Texas public universities are national leaders in online education;
  2. UT-Austin is ranked as a world-class institution;
  3. UH has Phi Beta Kappa chapter;
  4. Texas community colleges are national leaders in ECHS, dual credit, and developmental education; and
  5. Texas community colleges are among least expensive in U.S. due to innovations and efficiencies.
- Texas' new higher education strategic plan "*60X30TX,"* is the beginning of a new series of accomplishments. The four goals in the "*60X30TX"* plan are essential to the future prosperity of Texas.
  1. The Overarching Goal: 60X30 – At least 60% of Texans ages 25-34 will have a certificate or degree. This supports the economic future of the state. Achieving the *60X30* goal is critical for Texas to remain globally competitive and for its people and communities to prosper.
  2. The Second Goal: Completion – At least 550,000 students in 2030 will complete a certificate, associate, bachelor's or master's from an institution of higher education in Texas. This will require large increases among targeted groups. By 2030, the Hispanic population will outnumber the Anglo population 3 to 1. And by 2030,the goal is that at least 550,000 students in that year will complete a certificate, associate, bachelor's or

master's from an institution of higher education in Texas; and if reached, Texas will award a total of 6.4 million certificates or degrees during the 15 years of this plan.

3. The Third Goal: Marketable Skills – All graduates from Texas public institutions of higher education will have completed programs with identified marketable skills. This emphasizes the value of higher education in the workforce. Marketable skills include interpersonal, cognitive, and applied skill areas, are valued by employers, and are primary or complementary to a major. In a 2012 national study, 88% of surveyed college freshmen identified "getting a better job" as the most important reason for attending college.
4. The Fourth Goal: Student Debt – Undergraduate student loan debt will not exceed 60% of first-year wages for graduates of Texas public institutions. This will help student graduates with manageable debt. Texas could experience greater shortages in important fields if student loan debt spikes to the point at which a majority of students choose programs based entirely on potential income.

   The ratio of 60% is a statewide maintenance goal, and is approximately the current level. There are several facets to the Student Debt Goal:
   - The role of the state;
   - The role of institutions; and
   - The role of students.

   All undergraduates with student loan debt who complete a credential from a Texas public two-and four-year institutions are included in the 60% ratio calculation. This is not a goal for individual undergraduates, and it is not a goal for institutions. There will be variation by sector and by student; and the goal is to keep this ratio at 60% for the state.

- Currently in SAT scores, Texas is 47 in reading; 47 in writing; and 42 in math. According to ACT, only 27% of high school graduates are college ready in Texas across the board. This needs to be changed and K-12 needs assistance.
- Dr. Paredes stated that going back 11 years, they looked at an 8th grade cohort of 100 students. Of those 100 students completing the 8th grade, 69 will graduate from public high school; 53 of those students graduating from high school will enroll in higher education; but only 20 of those students will receive a higher education degree or certificate. Of those 20, 1 will receive a certificate; 4 will receive an associates degree; and 15 will receive a bachelor's degree or higher.
- This is the challenge before us, stated Dr. Paredes and the strength of Texas' future depends on the "*60X30TX"* strategic plan.

Chairman Fertitta thanked Dr. Paredes for his presentation and his dedication and work on this very important topic. This item was presented for information only and required no board action. A copy of Dr. Paredes' presentation has been filed in the Board office.

The next item addressed before the board was BOR-5, a Discussion and action regarding the purchase of approximately 332 acres of land in Houston, Harris County, Texas in the vicinity of Buffalo Speedway and Willowbend Boulevard – University of Houston System.

Chancellor Renu Khator introduced this item and stated that the University of Houston was blessed to have a nationally ranked, recognized Law Center and doubly blessed to have Dr. Michael Olivas as a faculty member in that Law Center. Dr. Olivas, a nationally known expert in higher education, presented a context and a history of this issue.

Dr. Olivas thanked the Board, the Chancellor and General Counsel for the opportunity to share his remarks regarding the geopolitics of place and residency in the State of Texas. Below is a copy of Dr. Olivas' remarks:

"The University of Houston, like all public institutions of higher education in Texas, exists in a framework determined by statute, law, and regulation, carefully erected to provide the residents of the State with an interdependent system of postsecondary education, one that apportions state resources and access. In large part, the concept of place matters greatly in Texas, not only differentiating enhanced opportunity to its own state residents and those domiciled in the State, but in a geographic sense of trying to locate affordable college access across service areas. This important dimension of geographic reach and placement is governed by the Texas Higher Education Coordinating Board ("CB"), with duties to provide "a statewide perspective to ensure the efficient and effective use of higher education resources and to eliminate unnecessary duplication" and to "assess the higher education needs of each region of the state."

One of the most important means by which the CB undertakes its statutory duties is by enacting planning measures that guarantee a geographic balance, so that all areas – however remote and rural – are served and so that no single metropolitan area has unbridled and wasteful duplication of efforts. Such measures specifically include attention to service areas and regions of the large state:

- The board shall develop and periodically revised a long-range statewide plan to provide information and guidance to policy makers to ensure that institutions of higher education meet the current and future needs of <u>each region of this state</u> for higher education services and that adequate higher education services at all levels are reasonably and equally available to the residents of each region of this state.
- The board in developing the plan shall examine existing undergraduate, graduate, professional, and research programs provided by institutions of higher education and identify the geographic areas of this state that, as a result of current population or projected population growth, <u>distance</u> from other educational resources, economic trends, or other factors, have or are reasonably likely to have in the future significantly greater need for higher education services than the services currently provided in the area by existing institutions of higher education.
- The board shall identify as specifically as practicable the programs or fields of study for which <u>an area</u> has or is projected to have a significant unmet need for services.
- In determining the need for higher education services in an <u>area,</u> the board shall consider the educational attainment of the current population and the extent to which residents from the <u>area</u> attend institutions of higher education outside of the <u>area</u> or do no attend institutions of higher education.

- The board shall include in the plan specific recommendations, including alternative recommendations, for administrative or legislative action to address an area's unmet need for higher education services as efficiently as possible.

These specific references to geographic distribution are undergirded by a longstanding practice and requirement that new campuses be approved by the CB and that regional services are to be apportioned and distributed so as not to overlap programs or pose duplicative and wasteful competition. In addition, a common law of geography has been carefully developed over time to ensure that any new programs and course offerings meet a high standard of need, taking into account pre-existing colleges and service areas. The University of Houston has been subject to such regional restrictions : when the UHS requested in 2006 to locate an instructional site in Northwest Houston, it was determined by the CB that to do so would encroach upon the attendance zones and recruiting areas of Prairie View A&M. This was at a time at the end of the Priority Plan, an agreement with the Office of Civil Rights with then- Governor George W. Bush to take steps to ensure the viability of educational programming and student success for TSU and Prairie View A&M. UH accepted and has abided by the decision, even though the site would not have been a full campus. When UH was invited to offer instruction in hotel and restaurant management in San Antonio, it sought the concurrence of all public institutions in the San Antonio service areas, and received their blessings.

When TAMU attempted to affiliate with South Texas College of Law in Houston (a private and freestanding law school), it did so without receiving permission of the CB to undertake such an affiliation and was denied permission, a decision ratified by the Texas Supreme Court in *In RE STCL*. After TAMU and STCL entered into their 1999 "affiliation agreement," it was determined that several million dollars were spent by both parties, yet the court declared the Agreement to be "void because it exceeds the authority granted Texas A&M University in the Texas Education Code, and because its essential purpose violates public policy as expressed in the Texas Education Code."

The Texas Supreme Court has upheld the authority of the CB to void even "affiliation agreements," and in a challenge brought by Mexican American plaintiffs on the issue of whether or not the provision by the CB of higher education degrees, dollars, and driving distances to boarder-area colleges were unconstitutional, the same Court also held that finding "an equal rights violation simply because defendants 'expend less state resources on higher education in the border area of Texas … than its population would warrant,' it cannot be sustained. In this case, if the state has made a geographical classification, defendants need only show that the system of allocating educational resources is rationally related to a legitimate purpose, which they have done under this record. Attempting to ensure that the State's limited higher education budget is wisely and efficiently spent on necessary and non-redundant programs is clearly a legitimate goal, and the State's system for coordinating these requests is a rational means of furthering that purpose." *LULAC v. Richards*

There have been dozens of such geographic determinations made over the lifetime of the CB, and the State's colleges and universities would never undertake major extra-territorial site extensions without seeking CB approval in advance of undertaking land purchases. UT should not be allowed to use funds to purchase land hundreds of miles away from its Austin campus for the purpose of offering unauthorized coursework, whether in the form of engineering classes or student internship course credit. All UT Austin courses have full permission to be offered in Austin and its immediate area, but require advance permission from the CB to cross counties and relocate degrees hundreds of miles away. If the desire is to work collaboratively with other institutions on research, UH faculty have shown their willingness to engage and 332 acres of real estate is not what is needed for this to happen. Were the situation reversed and UH bought land near the Austin Airport to provide state-level experiences for its students in the state capitol, UT would properly object and the CB would likely deny a UH application request. UH has observed the rules all these years, and UT should be made to do so here.

Allowing this campus to be established in Houston would unravel years of cooperative and strategic planning by the Coordinating Board and the Legislature, and would harm the careful balance of regional systems of higher education. It also is unclear whether the UT campus is planning to relocate educational programs from the several other UT campuses, such as El Paso, San Antonio, and elsewhere. All the wrong reasons for the Austin campus moving into Houston extend to these other institutions as well.

CB Commissioner Raymund Paredes acknowledged the importance of such regional planning when he recently wrote, "In Texas, we are in danger of expanding higher education programs and facilities beyond the state's ability -- or willingness -- to fund them adequately. Ultimately, that is a recipe for statewide mediocrity in public higher education."

In sum, the University of Houston has played by the rules, including common law practices, and the CB should enforce these equally against all comers. The University of Texas has conceded the authority for such regional permission-granting by the CB when it went to the CB in 2004 and sought permission of offer executive MBA courses at a hotel complex in Houston on weekends. The CB gave such permission in part because it did not involve a permanent campus but a local hotel complex and in part because the UH did not raise formal objections at the time, although both TAMU and Rice did unsuccessfully lodge objections. (This program now is taught in classrooms at the University of Texas Health Science Center in Houston.) UT, UH, and the other public colleges and university must render unto Caesar in the form of the CB, and purchasing land almost as large as the UH main campus violates every practice and policy so carefully carved out over the years when apportioning new programs.

UT engaged in expansionism even as it fought against legislative efforts to locate another UT-affiliated law school in the Dallas area, resulting in UNT being the home of the state's newest law school. And TAMU sought and received permission to acquire the Texas Wesleyan School of Law and reconstitute it as the TAMU Law School in Ft. Worth, not repeating its disastrous experience a decade earlier in Houston.

When Chancellor McRaven lays out his plans for avoiding the wasteful duplication and painting it as a virtue, he cites LA and Boston: "There is room and opportunity for expanded academic and research ventures in this vibrant city. Boston is home to Harvard, MIT, Boston University and Boston College. In Los Angeles, UCLA and USC – two research powerhouses – **sit** just a few miles from each other. Houston, too, should be home to a thriving and varied academic landscape." But he fails to even identify a public campus in Boston, and disingenuously cites the sole public research university in Los Angeles -ignoring the completely different public college situation UT poses to UH, TSU, and HCC.

It is the responsibility of the CB to ensure thoughtful, reasonable, and strategic placement of institutions of higher education and programs so as to continue providing access to underserved populations which was a key component of *Closing the Gaps* as well as the CB's new strategic plan, *60X30TX*.

Simply buying land in Houston in the hopes that the CB, the area's several colleges and universities, and the Legislature will not notice, and breaking ground for expansionist plans in the future are wrong, and violate state law and practice. If the UT wants to offer courses and degrees in Houston, it must gain prior permission from the CB to do so, and not kick that can down the road by promising that it will not offer instruction immediately. This transgression violates the law and regulation of Texas higher education campus location and administrative decision-making, and we urge it be stopped in its tracks before any further plans can be implemented. This act is a Trojan horse, and Houston should not let it inside the gates."

(*These remarks above are Dr. Olivas' own, and are shared solely in his capacity as a UHLC professor.)*

Following Dr. Olivas' remarks, Chairman Fertitta made a motion on the floor that Regent Spencer Armour read the following statement regarding UT's recently announced plan to expand in Houston as follows:

"We, the University of Houston System Board of Regents, have concerns regarding the University of Texas' recently announced plan to expand in Houston. Academic expansion within the regulated system of postsecondary education must adhere to the disciplined, strategic plan developed by the Texas Legislature through the Texas Higher Education Coordinating Board, as described *during* our meeting today by Commissioner Paredes. The University of Texas' unilateral expansion signals a departure from the historical practice of using taxpayer funds to strategically serve citizens in all regions of the state through collaboration and cooperation. In accordance with our obligations as members of the University of Houston System Board of Regents, as defined by the legislature through the Texas Education Code, it is our duty and responsibility to make clear our formal position on matters of importance to higher education and our 68,000 students. Accordingly, we, the University of Houston System Board of Regents, express the following concerns with the University of Texas' unilateral expansion:

1. It violates the spirit of the State of Texas' higher education framework under which limited state dollars are distributed to public universities to provide college access to the maximum number of students, while avoiding curriculum duplication.

2. It violates the process and rules defined by the Coordinating Board to enact planning measures that guarantee a geographic balance, requiring that any new programs and course offerings meet a high standard of need, taking into account pre-existing colleges, service areas and programs.

3. No strategic or financial plan has been shared with the public to evaluate the purpose of the expansion.

4. The University of Texas System has a disproportionate share of state resources through the Permanent University Fund (PUF), which augments this expansion directly or indirectly.

5. There are three large state universities – University of Houston, University of Houston-Downtown, and Texas Southern University – within a 6-mile radius of the proposed location. An adverse impact on these Hispanic Serving Institutions and Minority Serving Institutions and the students they serve is inevitable.

If the State of Texas is to allow duplication of services and competition as a practice for higher education in the future, then we respectfully ask the legislature to provide parity in resources, **including PUF**, for the University of Houston System before allowing the University of Texas System's expansion into Houston. We also request parity in rules for future University of Houston System expansion into other geographic locations.

Regent Wilson, Jr. made the motion to adopt this statement as the official position of the Board of Regents; it was seconded by Regent Armour, and by a unanimous vote of the regents in attendance. Chairman Fertitta stated that the motion to adopt this statement as the official position of the Board of Regents was approved.

Committee Reports

Chairman Fertitta moved to Section II on the agenda, the Committee Reports. Chairman Fertitta stated the Committee Reports, which lists the Consent Docket Agenda items considered and unanimously approved at each of the Board committee meetings, would be given by each chair of the committees. It should be noted that after the Board had heard all of the committee reports, any regent may have requested an item be removed from the Consent Docket and individually considered pursuant to Board Bylaw 6.9.

Chairman Fertitta announced that the first two committee reports would be addressed by Regent Roger Welder, who is the Vice Chair of the Endowment Management Committee; and Chair of the Audit and Compliance Committee.

Endowment Management Committee Report – November 19, 2015

Regent Welder stated the Endowment Management Committee had met earlier in the day,

Thursday, November 19, 2015, and unanimously approved the following action item for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval is requested to liquidate three endowments from the University of Houston System Endowment Fund and transfer the proceeds to the University of Houston Foundation – UH System.

Regent Welder also stated that the committee had heard a report from Cambridge Associates and approved the following two private investment managers for the UH System Endowment which had required committee approval only. They were as follows:

- A $7.5 million commitment to S.V Life Sciences Fund VI, LP; and

- A request to make a full redemption from York International Partners effective December 31, 2015**.**

The committee also approved the request to make a full redemption from the following three hedge fund managers effective March 2016 as follows:

- Approximately $9.4 million from Proxima Capital Offshore, Ltd.;

- Approximately $9.2 million from Covalent Capital Partners Offshore, L.P.; and

- Approximately $11.2 million from Senator Global Opportunity Offshore Fund, Ltd.

This concluded the Endowment Management Committee Report.

Regent Welder's next committee report was for the Audit and Compliance Committee.

Audit and Compliance Committee Report – November 19, 2015

Regent Welder stated the Audit and Compliance Committee meeting was held earlier today, Thursday, November 19, 2015. There were numerous reports addressed by the committee, such as a Report on Cybersecurity; Ethics and Conflict of Interest Policies of the Board and each of the UH System campuses; a Report on Anonymous Reporting Mechanism Summary Report for 2015, to name a few. There were no items forwarded from this committee which required further Board action at the Board meeting.

This concluded the Audit and Compliance Committee Report.

The next committee report was presented by the Chair of the Academic and Student Success Committee, Regent Paula M. Mendoza.

Academic and Student Success Committee Report – November 19, 2015

Regent Mendoza stated the Academic and Student Success Committee met earlier today, Thursday, November 19, 2015 and approved the following three (3) action items for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval of a Bachelor of Science degree in Counseling at the University of Houston-Clear Lake;

2. Approval of a Bachelor of Science degree in Computer Engineering at the University of Houston-Victoria; and

3. Approval of University of Houston Honorary Degrees – University of Houston.

This concluded the Academic and Student Success Committee Report.

The next committee report was presented by the Chair of the Facilities, Construction and Master Planning Committee, Regent Welcome W. Wilson, Jr.

Facilities, Construction and Master Planning Committee Report – November 19, 2015

Regent Wilson, Jr. stated the Facilities, Construction and Master Planning Committee met earlier in the day, Thursday, November 19, 2015 and placed the following six (6) action items for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval is requested to add to the program at the University of Houston Multidisciplinary Research and Engineering Building to include the fourth floor laboratory build-out of shell space;

2. Approval is requested for the site and program of a new Health Science and Classroom Building at the University of Houston-Clear Lake Pearland Campus;

3. Approval is requested for the site and program for the Recreation and Wellness Center Building at the University of Houston-Clear Lake;

4. Approval is requested for the site and program for the Student Center and Learning Commons Building at the University of Houston-Victoria;

5. Approval is requested for appointment of Committee members and appointment terms for the System-wide Art Acquisition Committee (SWACC) – University of Houston System; and

6. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the conveyance of two easements to the City of Houston at the University of Houston.

This concluded the Facilities, Construction and Master Planning Committee Report.

The final committee report was addressed by the Chair of the Finance and Administration Committee, Regent Spencer Armour, III.

Finance and Administration Committee Report – November 19, 2015

Regent Armour stated the Finance and Administration Committee met earlier in the day, Thursday, November 19, 2015 and placed the following 15 action items for submission on the Board's Consent Docket Agenda for final Board approval as follows:

1. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts associated with additional project scope for the Multidisciplinary Research and Engineering Building at the University of Houston;

2. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of the new Health Sciences and Classroom Building at the University of Houston-Clear Lake Pearland Campus;

3. Approval is requested for changes to the FY2017 mandatory student-recommended fees for the University of Houston-Clear Lake;

4. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of the new Recreation and Wellness Center at the University of Houston-Clear Lake;

5. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of the new Student Center and Learning Commons at the University of Houston-Victoria;

6. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and renovation for the Basketball Arena Enhancement Project at the University of Houston;

7. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding $1 million for the purchase of goods or services, excluding construction contracts, at the University of Houston System;

8. Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding $1 million for projects at the University of Houston;

9. Approval is requested to delegate authority to the Chancellor to negotiate and execute an amendment to a land lease for residential housing located at the University of Houston;

10. Approval is requested to delegate authority to the Chancellor to take all actions precedent to the acceptance of land in Sugar Land from the Texas Department of Transportation – University of Houston;

11. Approval is requested to ratify a lease agreement and all subsequent lease amendments with Wharton County Junior College – University of Houston;

12. Approval is requested to delegate authority to the Chancellor to take all actions precedent to the acceptance of a gift of land from the City of Pearland – University of Houston-Clear Lake;

13. Approval is requested to delegate authority to the Chancellor to negotiate and execute an amendment to the space lease agreement between the City of Pearland and the University of Houston-Clear Lake;

14. Approval is requested of the Twenty-Sixth Supplemental Resolution to the Master Resolution, the Preliminary Official Statement, and the Notices of Sale authorizing the issuance of Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2016A and Series 2016B (Taxable) – University of Houston System; and

15. Approval is requested to modify a University of Houston System banking resolution governing a bank account maintained for the benefit of the University of Houston-Clear Lake – University of Houston System.

This concluded the Finance and Administration Committee Report.

At the conclusion of this committee report, pursuant to Board Bylaw 6.9, Chairman Fertitta asked if any regent wished to remove any of these items from the various Committee Reports' Consent Docket Agendas for further discussion.

On motion of Regent Madison, seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, all items presented in the Board's Consent Docket Agendas, unanimously approved by the various committees, were approved by the full Board.

Following the approval of the Board's Consent Docket Agenda items, Chairman Fertitta moved to Section III, Committee Report item(s) not addressed in the Consent Docket Agenda but requiring final Board approval. There were no items forwarded from any of the committees which required further Board action at the meeting.

Chairman Fertitta moved to the remaining items listed on the Board's agenda, Item BOR-5, a Resolution in Appreciation – Jarvis V. Hollingsworth – University of Houston System. Regent Hollingsworth was unable to attend the meeting; but in his absence Chairman Fertitta called for a motion to approve this Resolution in Appreciation for Jarvis V. Hollingsworth.

On motion of Regent Taaffe, seconded by Regent Armour, and by a unanimous vote of the regents in attendance, the Resolution in Appreciation – Jarvis V. Hollingsworth was approved.

The next Board item listed on the agenda was BOR-6, a Presentation of Regents' Academic Excellence Award – University of Houston-Downtown's Science, Technology, Engineering and Mathematics (STEM) Scholars Academy – University of Houston System and Chairman Fertitta asked Dr. Paula Myrick Short, Senior Vice Chancellor for Academic Affairs and Provost to present this item.

Dr. Short stated the Board of Regents established the Regents' Academic Excellence Award to recognize University of Houston System institutions' programs and initiatives that exemplify excellence in scholarship, research, teaching, and/or public service.

Dr. Short announced the recipient of this award, the University of Houston Downtown's ("UHD") STEM Scholars Academy. The Scholars Academy is an academically competitive program that promotes scholarship and student success for undergraduates majoring in science, technology, engineering, and mathematics. The Scholars Academy has succeeded in retaining and graduating STEM majors, especially women and underrepresented minorities.

Dr. Short welcomed Ms. Elda Rueda, UHD's Scholars Academy alumna, Class of 2011. Ms. Rueda came to the United States from the country of Columbia when she was 21 years old; enrolled in college; and was the first in her family to do so. She began taking ESL classes and common core courses at UHD in 2004. She was admitted to the Scholars Academy in 2007 where within a year she began undergraduate research in Biology and Chemistry. As a testament to the impact of the Scholars Academy at UHD, Ms. Rueda is now a 4th year graduate student and a PhD candidate in Physiological Optics and Visual Science in the College of Optometry at the University of Houston.

Dr. Short introduced Dr. Rueda, who gave brief remarks and presented a video which was a short visual story of the five (5) major support pillars of the Scholars Academy as follows:

1. A mentoring system involving faculty and peer mentors;
2. Undergraduate research;
3. Extracurricular activities involving research presentations, community service and field trips;
4. Career preparation; and
5. Academic support.

Featured in the video were Dr. Ermelinda DeLaVina, Professor of Mathematics and Associate Dean, College of Sciences and Technology, UH-Downtown; and Ms. Iride Lazo (UHD Class of

2005), Scientific Programmer, Department of Molecular and Human Genetics at Baylor College of Medicine, who also received a Master's of Science in Mathematics at the University of Houston in 2011.

On behalf of all of the students, faculty and staff from the Scholars Academy, Dr. Rueda thanked the Board of Regents for awarding the prestigious 2015 Academic Excellence Award to UHD's Scholars Academy.

Dr. Mary Parker, the Director of UHD's Scholar Academy and several of the students from the program were also in attendance.

Chancellor Khator presented the award to UHD's STEM Scholars Academy at the meeting.

This item was presented for information only and required no Board action.

Chairman Fertitta stated the next Board item for information only was BOR-8, the Tier One Shared Governance: Highlights and Examples from the Faculty Senate – University of Houston, and asked Dr. Wynne Chin, President of the Faculty Senate at the University of Houston to give his comments; and below is a brief summary of his remarks.

Dr. Chin stated his remarks would focus on Tier One Shared Governance. While his goal was to point out that the University of Houston has arguably one of the best examples of faculty administration shared governance in Texas, if not the U.S., he hoped to supply the Board with some bragging rights and facts when they talk with other counterparts at other universities.

In Dr. Chin's introduction of President Khator at her annual Fall Address, he noted that shared governance was not about who makes decisions but how good decisions were made. Specifically, in the Faculty Senate's constitution they define shared governance as "the collective commitment of the faculty and administration at the University of Houston to work cooperatively together with other university constituencies to achieve a common vision of excellence for the university."

Now to work cooperatively takes a lot of energy, commitment and frequent communication. For many administrators and other institutions, it is often much easier to have the perspective that you have already figured it out. Moreover, that you may feel faculty as stereo-typical, ivory tower, individuals - smart but with their heads in the cloud; and that it is a waste of time to involve them because the path of least resistance is to simply inform faculty when you have made a decision. But that is not a Tier One approach, especially if you firmly believe that excellence can only be obtained if you involve all constituencies with their own unique perspectives in making plans and decisions. So one example goes back to 2001, when Tropical Storm Allison caused complete power outage and resulted in closing the UH campus, including the dorms. An emergency meeting was called after the storm and the soul

individual who represented the faculty perspective at the time was then President Jerry Freiberg. When the question of was raised about the possibility of shortening the summer schedule or even cancelling some of the summer sessions, Dr. Freiberg provided a host of issues and potential consequences that were not considered, including the impact on grades, impact on visa status for international students, accommodating those students who left the dorms, and so on.

Since that time, the university has continued to improve the governance process here at UH. At the Texas Counsel of Faculty Senates, Dr. Chin stated he has often received questions from other university Senate presidents regarding UH's governance process. They are surprised that we have at least three (3) meetings with our President and Provost each month, when some state that they, at best, meet once a year; and others say they rarely ever meet! When asked about our involvement with undergraduate curriculum and student success, Dr. Chin has mentioned to them that we have a committee that not only consists of senators but also includes two (2) students, two (2) student advisors, and six (6) other administrative staff. They are surprised that the UH Faculty Senate manages the university course catalogue and for the past year, processed 353 course proposals and 27 core curriculum proposals. There is also a similar committee at the graduate level.

The other Senate presidents then asked about shared governance when it comes to Research. Dr. Chin stated he tells them that we have a committee that advises and makes recommendations through the Vice Chancellor for Research and Technology Transfer. The committee administers faculty awards related to excellence in research, scholarship and creativity. We also conduct and provide evaluation reports on UH Research Centers and Institutes; and make decisions on internal grants with the goal of increasing faculty competitiveness for external funding.

With the support of Provost Short, the UH Senate Budget and Facilities Committee has gotten faculty more engaged in the budget planning process in each college. Using a 360-degree feedback approach, college deans receive input both from the Provost and their faculty in a much more coordinated manner than ever before.

Dr. Chin stated that his fellow senators then mention to him, "Well, what he has told them sounds good; but what about other university-wide committees that are not part of the senate but constituted by the administration and involves faculty?" Dr. Chin then relates to them that we have a Faculty Governance Committee that either recommends or appoints those faculty representatives.

Dr. Chin says there is more and loves bragging about what a real Tier One governance process looks like. His knock-out punch this year involved talking about their Inaugural Faculty Tailgate held at every UH football home game. It is supported by the administrators, the college deans, and coordinated by the Senate.

Another way someone could tell you are Tier One was when it happens to be at a Texas Counsel of Faculty Senates; you see representatives from Texas A&M fiercely taking notes on how we do things at UH!

Dr. Chin ended his remarks by giving an example of what seems to be the converse. When UH Chancellor met UT Chancellor McRaven and recently laid out the plans for expansion of UT in the Houston area, did he believe in shared governance? Did he consult with faculty as we would here at UH? To the best of his knowledge, the answer was a resounding, no! Dr. Chin stated he was aware of a number of UH faculty who want to understand the logistics of accomplishing this. Does UT faculty in Austin have to make regular trips to Houston or would they have to hire tenure-track minds to work in Houston as opposed to using adjuncts as currently true for the UT Executive MBA degree in Houston?

Earlier this week, the UH Faculty Senate office contacted the UT Faculty Counsel Chair, Andrea Gore and this is what she wrote back via email, "I have very little information to give you. I learned about the Chancellor's plan at the same time as everyone else last week. My understanding is that approval to purchase land only just happened and that the details are yet to be worked out. To date faculty have not been consulted, but that does not alarm me since it is so early. We certainly want and need to be involved if this new campus has connections to our campus." Dr. Chin commented that, frankly, if he were in her shoes his alarm bells would have been on high alert. It seems that the UT decision to charge ahead with an academic undertaking in Houston without consulting faculty is premature. Clearly, this situation is not Tier One governance.

This item was presented for information only and required no Board action.

BOR-9, an Update on the Campus Carry Policy – University of Houston, was the next item presented to the Board and the Vice Chancellor for Legal Affairs and General Counsel, Dona Cornell introduced the Chair of the Campus Carry Implementation Committee on the UH campus, Ms. Marcilynn Burke to present this item. Ms. Burke is an Associate Professor and an Associate of Law and Associate Dean of the UH Law Center, who will gave an update on this issue. Below is a summary of her remarks.

Ms. Burke stated that Governor Abbott had signed into law Senate Bill 11 in June 2015 which is popularly known as the "Campus Carry Law." Currently, firearms are not permitted in university buildings except by authorized individuals. Under the new law beginning on August 1, 2016, the carrying of concealed handguns by licensed holders will be allowed on college campuses. Ms. Burke presented a brief update on where UH is on developing their policies to comply with the new law in a way that is protective of the health, safety and welfare of the UH campus community.

- A work group has been established and Ms. Burke is the chair of this group.
- The group is composed of students, staff and faculty representing a number of groups on campus including Student Government, Residence Halls, General Counsel, the Police Chief, Athletics, Human Resources, the Faculty Senate, etc. This is a very diverse group

of individuals, who have come together to try to implement this new law.

- Some of the key provisions of Senate Bill 11 are as follows:
  - The University may establish rules concerning storage of handguns in residential facilities;
  - The President may establish reasonable rules regarding the carrying of concealed handguns; and
  - Most importantly, whatever we do, we may not generally prohibit the carrying of concealed weapons on campus.
- S.B. 11 requires that there be consultation and that the President must take consultation with the students, staff and faculty about the nature of the student population; specific safety considerations; and the uniqueness of our campus environment.
- UH is currently engaged in this process and it is important that we have a very open process in which everyone has the opportunity to be heard.
- The committee began soliciting feedback from the campus with a survey given out in October.
- An email address was established – campuscarry@uh.edu. The work group received approximately 2,500 responses to the survey and about 200 emails thus far.
- Two (2) open forums here at the UH campus were held this week and last week to give individuals an opportunity to address the work group. There were a total of 350 participants in those open forums.
- The timeline for the process was addressed. Prior to the August 1, 2016 implementation date, information will be gathered; a draft policy will be reviewed by the Chancellor and her cabinet; suggested revisions will be made and then a published draft will be distributed to the campus for input; again revised and given back to the Chancellor and her committee; and the policy will be finalized in April and presented to the Board for their review and approval at the May 2016 Board of Regents meeting in order to be implemented by the August 1, 2016 deadline.

Ms. Cornell stated that similar processes are currently being done on all of the UH System campuses (UH-Clear Lake, UH-Downtown and UH-Victoria); and they are all taking a very similar course of action. It is the hope that when these four (4) different draft policies are presented to the Board, they will see commonalities among all of them especially as we determine the reasons for specific exclusions; but as each of the campuses has a unique nature, you will see some differences as well. A brief discussion followed.

This item was presented for information only and required no Board action.

Chairman Fertitta moved to Section V, the Chancellor's Report and asked Dr. Renu Khator to present her report. Below is a brief summary of her remarks.

Chancellor's Report

Chancellor Renu Khator presented a UH System-wide report to the Board which was

distributed to the Board members at the meeting. The Chancellor began her report with the University of Houston System-wide Achievements as follows:

University of Houston System-wide Achievements:

- Dr. Glenn Goerke, who was a former President of the University of Houston from 1995 to 1997; UH-Clear Lake from 1991 to 1995; and for UH-Victoria from 1989 to 1991 passed away about a week ago at the age of 84. Dr. Khator wanted to give her respect to him on his service.
- UH Sugar Land continues to evolve into its new destiny which is a full-fledged campus of the University of Houston. Bob McPherson has been appointed as the Interim Associate Provost for Academic Affairs and Operations at the UH Sugar Land and UH System at Cinco Ranch campuses; and Dr. McPherson will remain as the Dean of the UH College of Education.
- We are currently in the process of acquiring 16 acres of TxDOT property contiguous to the campus – literally its "front door" thanks, in particular, to the support of State Rep. Rick Miller and State Senator Lois Kolkhorst in getting us the land.
- Enrollment from the University of Houston this year is up 115% from Fall 2014 at the UH Sugar Land campus.
- We currently have a $12 million campaign to fund startup costs for new academic programs at UH Sugar Land as well.

University of Houston Achievements:

- UH was formally granted the Phi Beta Kappa Chapter on October 9, 2015 thanks to the very hard work of Provost Short, Bill Monroe, Dean of the Honors College, and Andrew Davis, Director of the Moores School of Music, who co-chaired the committee and all of the faculty and staff who contributed. Dr. Khator also thanked the Board of Regents for their support as well. This is extremely important for UH because just mentioning the words "Phi Beta Kappa" speaks for itself re academic quality.
- UH has recruited another member of the National Academy of Sciences, Dr. Maurice Brookhart, who joined UH as a faculty member in chemistry; and UH is currently in the process of recruiting several others.
- After a spectacular win over Memphis, the Houston Cougars (10-0) remain the lone undefeated program in The American Athletic Conference and one of five (5) remaining undefeated teams in the nation.

University of Houston-Clear Lake Achievements:

- For the first time in its 40-year history, UHCL was included in the U.S. News & World Report's Best Colleges rankings as one of the Best Regional Universities in the West, a major milestone for UHCL, which became a four-year university in Fall 2014.
- UHCL has also experienced its highest enrollment in its history in Fall 2015, with 8,906 students.
- UHCL took its place this Fall among graduate physics programs recognized as American Physical Society Bridge Program partnership sites. UHCL has been a member of the APS Bridge Program for three (3) years and is now one of only 10

institutions recognized as a partnership site, including Columbia University, MIT, Princeton University and University of Chicago.

University of Houston-Downtown Achievements:

- UHD was named one of eight (8) colleges and universities to participate in a pilot project to create new ways to measure students' academic performance. The project is funded with nearly $1.3 million from the Lumina Foundation.
- Author and civil-rights activist, Cornel West, visited Houston on November 6, 2015 to deliver a public program, "Race, America and the Black Lives Matter Movement," sponsored by the College of Humanities and Social Sciences and its Center for Critical Race Studies, Cultural Enrichment Center and Departments of Arts and Humanities, Social Sciences and English. More than 600 community members, students, faculty, and staff attended the event.
- UHD President William Flores served on the host committee of the City of Houston's Citizenship Month; and UHD faculty and staff participated in numerous activities which went very well.

University of Houston-Victoria Achievements:

- A $412,500 grant from the U.S. Department of Defense (DoD) will help pay for four (4) student research assistants for three (3) years as they study human/robot interaction and the integration of robotics into virtual reality.
- UHV saw increases in student retention and the number of students living on campus this Fall. A record number of students are living in the university's residence halls, with an occupancy rate of 92%, up 6% from a year ago.
- UHV has hired Ludmi Herath as Director of International Programs, a new position that will oversee recruiting, evaluating and assisting international students with their academic programs.

Following her Chancellor's Report, Dr. Khator introduced Mike Johnson, her new Chief of Staff, who recently started at the university. Mr. Johnson comes to UH from Purdue University and prior to that he served in the U.S. Marine Corps for 17 years. During this time, he served as Chief of Staff for the Commanding General.

A copy of the Chancellor's Report has been filed in the Board office. This item was for information only and required no Board action.

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At 5:15 p.m., Chairman Fertitta announced that pursuant to Subchapter D of Chapter 551 of the Texas Government Code which allows governing boards to meet in closed session, Chairman Fertitta stated the Board would convene in Executive Session.

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Executive Session Report

Chairman Fertitta reconvened the Board of Regents meeting in open session at 5:54 p.m. and stated that the regents had met in Executive Session and heard a litigation status report and other legal matters; discussed personnel matters; discussed a naming gift; and land acquisitions.

Chairman Fertitta stated that following the presentation and discussions by the Board, the following Board recommendations and approvals were recommended and approved as follows:

1. Approval is requested to renew the appointment of the Vice Chancellor/Vice President for Governmental and Community Relations for the UH System/University of Houston.

On motion of Regent McElvy, seconded by Regent Taaffe, and by a unanimous vote of the regents in attendance, the request to renew the appointment of Jason V. Smith as the Vice Chancellor/Vice President for Governmental and Community Relations for the UH System/ University of Houston was approved.

2. Approval is requested to delegate authority to the Chancellor to negotiate and execute an amendment to the contract of the Head Football Coach at the University of Houston – University of Houston.

Since this is a major negotiation of great importance to the Board of Regents and the University of Houston, the Board has asked me, as Chair, to take an active role in this negotiation. The Board is 100% committed to Coach Herman and our actions reflect our desire to retain him. Our Tier One university has a nationally, relevant football program and we want to keep it that way. Our actions are designed to help the academic mission by increasing our exposure to the entire country. We have seen how students respond to a nationally, competitive football program. We understand the link between academics and athletics. We should present an increase in his salary to $3.0 million a year. Funds will come from donors and auxiliary revenue; no tuition and no state appropriations will be used. The Board will help to raise the funds – and much has already been raised. This is a Board decision. Chairman Fertitta moved that the Board delegate authority to him as Chair, with the Chancellor, to negotiate and execute an amendment to contract to the Head Football Coach to the University of Houston to include a salary of $3.0 million as well as increased performance incentives.

On motion of Regent Armour, seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, the motion to renegotiate the contract of the University of Houston Head Football Coach, Tom Herman was approved.

3. Approval is requested to revise Board of Regents' Policy, 55.01.3 – Delegation of Authority for Contracts not requiring Board Approval – UH System.

On motion of Regent Welder, seconded by Regent Madison, and by a unanimous vote of the regents in attendance, the request to revised Board of Regents' Policy, 55.01.3 – Delegation of Authority for Contracts not requiring Board Approval was approved with the following revision added to Board Policy 55.01.3 as follows:

"The Components may request authority to manage a specific project over $300,000 up to $1,000,000 by submitting a request in writing detailing the scope of the project for the approval of the Vice Chancellor on a project by project basis. Evaluation and approval of requests will be based upon the Components expertise and ability to negotiate, review, and administer such contracts. Requests for authority to manage a project over $300,000 up to $1,000,000 by the Component must be received and approved before proceeding with the project."

4. Approval is requested for the naming of Sales Excellence Institute in accordance with University of Houston System Administrative Memorandum 08.A.04 – University of Houston.

On motion of Regent Welder, seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, the request for the naming of Sales Excellence Institute in accordance with University of Houston System Administrative Memorandum 08.A.04 was approved.

5. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the acquisition of land for the growth of the University of Houston-Downtown and the University of Houston-Victoria campuses – UH System.

On motion of Regent Welder, seconded by Regent Mendoza, and by a unanimous vote of the regents in attendance, the request to delegate authority to the Chancellor to negotiate and execute contracts for the acquisition of land for the growth of the University of Houston-Downtown and the University of Houston-Victoria campuses was approved.

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Information Only

There were four (4) individuals who addressed the Board in Open Forum.

1. Mrs. Yvonne Waggoner
2. Dr. Lisa Gossett
3. Mr. Trey Wilkinson
4. Former Chairman of the Board, Welcome W. Wilson, Sr.

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There being no further action to come before the Board the meeting adjourned at 6:00 p.m.

All documentation submitted to the Board in support of the foregoing action items, including but not limited to "Passed" agenda items and supporting documentation presented to the Board, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

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Others Present:

Renu Khator
Paula Myrick Short
Jim McShan
Dona Cornell
Richie Hunter
Ramanan Krishnamoorti
Elwyn Lee
Jason Smith
Eloise Stuhr
Richard Walker
William Flores
Raymond V. Morgan
Bill Staples
Mike Glisson
Jonathan Snow
Nadar Ibraham
Richard Valdez
Mr. Waggoner
Trey Wilkinson
Jon Aldrich
Brenda Robles
Welcome W. Wilson, Sr.
Jeffrey Cass
Mark Yzaguirre
Pam Muscarillo
David Oliver
Sabrina Hassumani
Raymond Bartlett
Don Guyton
Jesse Pisors
Trent Williams
Shannon Harrison
Mark Clarke
Izzy Harrison
Mike Emery
Matthew Castello
Dan Wells
Oscar Gutierrez
Myra Ayla
Elena Hawthorne
Phil Booth
Gerry Mathisen
David Bradley
Michelle Dotter
Dick Phillips
Dan Maxwell
Emily Messa
Wynne Chin
Dan Yackley
Katie Brown
Kenya Ayars
Dean Ruck
Israel Cervantes
Mike Johnson
Mary Jo Parker
Lisa Gossett
Don Price
Andrew Cobos
Yvonne Waggoner
Anita Couch
Hunter Yurachek
Marquette Hobbs